

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**FY2012 & FY2013 DEVELOPMENT INNOVATION VENTURES  
ANNUAL PROGRAM STATEMENT (APS)**

**APS # APS-OAA-12-000004**

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Pursuant to the Foreign Assistance Act of 1961, as amended, the United States Government, as represented by the U.S. Agency for International Development (USAID), Office of Innovation and Development Alliances, invites applications for Development Innovation Ventures (DIV). The purpose of this APS is to disseminate information to prospective applicants so that they may develop and submit applications for USAID funding. This APS:

- Describes the types of projects for which applications will be considered;
- Describes the funding available and the process and requirements for submitting applications;
- Explains the criteria for evaluating applications; and,
- Refers prospective applicants to relevant documentation available on the internet.

USAID reserves the right to fund any or none of the applications submitted under this APS.

After the closing date for applications, the Agreement Specialist ([DIV@usaid.gov](mailto:DIV@usaid.gov)) becomes the sole point of contact for all applicant inquiries.

**Note:** All communication and inquiries should be done through [DIV@usaid.gov](mailto:DIV@usaid.gov) and applications should be submitted to [DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov).  
Applications sent by any other means (including Grants.gov) will not be considered.

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## **Background**

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In announcing the first-ever U.S. Global Development Policy, President Obama called for increasing our investments and engagement in development-focused innovation. Putting in place projects and mechanisms for fostering and identifying innovative development solutions that have a broad impact on people is also a pillar of the U.S. Agency for International Development (USAID) reform program, called USAID Forward.

As part of its commitment to increase investments in cost-efficient innovations, USAID launched Development Innovation Ventures (DIV) as a way to produce development outcomes more effectively and cost-efficiently while managing risk and obtaining leverage.

Through DIV, USAID seeks to identify and rigorously test promising projects with the potential to significantly (rather than incrementally) improve development outcomes, and help replicate and scale projects that are proven successful. USAID/DIV expects its most successful investments will have an accelerated growth path to reach millions of beneficiaries worldwide within 10 years. However, USAID/DIV also expects that not all of its investments will produce the projected outcomes. USAID/DIV manages this risk by staging financing to correspond with evidence of success, and USAID/DIV expects to learn from those projects that run into challenges. USAID/DIV will not fund basic scientific research or large engineering challenges. Instead, USAID/DIV's comparative advantage is its focus on innovations with direct application to bettering the practice of sustainable development.

## **Development Innovation Ventures**

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This Annual Program Statement (APS) requests applications for innovative solutions in all sectors provided they are clearly linked to solving a development challenge. DIV looks for compelling new development solutions, rigorously tests them, and helps scale those that are proven successful to reach millions of beneficiaries. DIV is interested in innovations that are expected to lead to transformative (as opposed to incremental) improvements to development outcomes that could ultimately scale across multiple developing countries and, ideally, multiple sectors in these countries. Innovative solutions can include new technologies and new service delivery practices or novel or more cost-effective variations on existing practices. Innovations are expected to eventually scale up through the private sector, the public sector, or a combination of the two in order to reach sustainability without DIV support.

## Cost-Effectiveness, Rigorous Evidence, and Pathways to Scale

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Many pilots never reach scale because they do not sufficiently focus on collecting rigorous evidence of success. Successful innovations that scale through the public sector must propose a rigorous evaluation methodology, such as a Randomized Control Trial (RCT), to obtain a legitimate measure of development impact. DIV seeks to support innovative solutions that are more cost-effective than competing alternatives. Therefore, cost analysis must be conducted in all projects; the specific approach can be determined based on the solution. For example, some projects may assess cost-effectiveness through cost-benefit or net present value calculations, such as a health application using a cost per Disability Adjusted Life Year (DALY) metric, or a project designed to reduce school drop-out rates using an estimated cost-benefit calculation based on rigorous estimates of the returns to education. In other instances, cost-effectiveness analysis is the most appropriate approach.

Successful innovations that scale through the private sector are expected to achieve wide-spread adoption through private sector commercialization without long-run support from donors, governments, or philanthropy. The most competitive applicants will demonstrate opportunities for future private sector investment. Applicants should provide evidence that sales prices and full costs are such that producers make profits and beneficiaries demand and are willing to pay for the product or service. DIV will also expect the applicant to demonstrate the social impacts of the innovation, such as improvements in health, education, income, or empowerment, etc. of people in developing countries. Cost competitiveness will also be assessed.

For additional information about DIV, please visit our website at: [www.usaid.gov/div](http://www.usaid.gov/div)

## DIV Funding Stages

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Drawing inspiration from other product development enterprises, Development Innovation Ventures invests in a portfolio of projects across different stages of their development. We fund ideas that are in different phases of rollout, and depending on their current phase, applicants can propose a project in any of the three stages below.

### **Stage 1: Proof of Concept**

Stage 1 funding is intended to test the real-world viability of an innovative development solution. The application must describe how the solution is clearly linked to a development challenge. There must be clearly established plans to test the solution in an appropriate setting, and a proposed methodology to assess its feasibility through impact evaluation or performance monitoring. The application must discuss competing or existing solutions, and how the proposed solution represents a departure from current practices and how it is more cost-effective than alternatives. The application also must outline how the proposed innovation could lead to significant change in outcomes if it is proven to be successful and then ultimately scaled up. The application must also articulate the expected pathway to scale (via the public sector or private sector, or both) and any interest from partners who could ultimately help to scale. Stage 1 funding requests will typically not exceed \$100,000 per project. Stage 1 projects can propose activities for up to two years.

## **Stage 2: Scaling and Impact Evaluation**

Stage 2 funding is provided to innovative solutions that have demonstrated success at a pilot or small-scale stage, and now require support to assess if the solution can achieve larger scale development impact and can be successfully implemented at a larger scale. Stage 2 projects must include a rigorous evaluation component that clearly demonstrates the solution's impact on development outcomes. Cost-effectiveness analysis is also required. The solution must be implemented at a scale that allows for statistical significance of impact analysis as well as a realistic assessment of how the approach would function and cost at scale. Some solutions may require implementation and testing at various levels (local, regional, and across several regions) and this should be factored into the design. The application must also articulate the possible pathway to scale (via the public sector or private sector, or both) and any interest from partners who could ultimately scale. Stage 2 projects will typically not exceed \$1 million but are often significantly less. Stage 2 projects can propose activities for up to four years.

## **Stage 3: Transitioning Projects to Large Scale**

Stage 3 funding is reserved for innovative solutions that have credible and rigorous evidence of development impacts at significant scale. Stage 3 projects will transition an innovation from large scale implementation to widespread adoption in one country and/or replication in at least one other country. In a country where the population is over 100 million the widespread adoption can be in a portion of the country. Applicants must provide rigorous evidence that the innovation has demonstrated cost-effective development impacts and that large scale implementation was successful. Applications should identify realistic avenues for scaling to millions within ten years and discuss how potential operational challenges (e.g., policy requirements or legal regulations) will be addressed. Applications should describe key stakeholders and partners needed to scale up the innovation, which could include government counterparts, the private sector, and other development organizations, and include indications of interest from those partners where they exist. Stage 3 projects will typically not exceed \$15 million but are often significantly less. Stage 3 projects can propose activities for up to five years.

## [Additional Information about DIV Stages](#)

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Applicants can apply at any stage without being prior recipients of DIV funding. Stages are determined by the content of the project, not by the funding required. For example, some Stage 2 impact evaluations may only require \$100,000 of DIV funding support even though the typical ceiling for Stage 2 requests is \$1M. If USAID/DIV disagrees with the stage at which the applicant has placed its solution, DIV may unilaterally reassign the stage.

Applicants can apply for a given stage of funding even if their project was not funded by DIV for the previous stage, provided that they have sufficient evidence required for the given funding stage. For example, an applicant can submit its first application to DIV Stage 2 rather than Stage 1. All applicants, whether or not having received a previous DIV award, will have to fully compete for their first DIV award, and any follow-on funding. Furthermore, individual applicant projects may apply for multiple tranches of funding within any given stage, so long as total funding does not materially exceed the normative limit for that stage.

DIV seeks to test promising solutions while also managing its risk. Therefore, DIV has structured the funding levels of the three stages in order to mitigate its risk of investment. The amount and rigor of evidence required increases as more resources are requested by an applicant.

### DIV Special Windows

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As part of this APS, DIV has additional special focus areas, or APS “windows.” These may relate to USAID initiative areas, specific countries or specific topics and sectors. All application forms and rules are unchanged but additional resources are available for applications targeting these windows. USAID/DIV may consider any applicant under a special window or under the “core” APS. Unless otherwise specifically stated herein, all terms and conditions of this DIV APS apply. In addition to the windows described below, DIV may open additional windows by way of an amendment to this APS, which will be posted on [www.grants.gov](http://www.grants.gov) and [www.usaid.gov/div](http://www.usaid.gov/div). Current windows are included in Annex 3 of this APS.

### Activities that DIV Supports

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DIV emphasizes producing development outcomes more effectively and more cost-efficiently while managing risks and obtaining leverage by focusing on scale, rigorous testing, and evidence of impact. DIV seeks solutions that are several times more cost-effective than current practice and that have potential to scale to many millions of beneficiaries within ten years. These ideas do not have to be technological solutions, but can also be new business models, new processes, or even novel combinations of tried and true techniques. Consistent with USAID’s gender policy, DIV also supports innovations across all sectors that have bold and imaginative strategies to advance gender equality and female empowerment.

DIV welcomes projects that find a new means to deliver an existing service or a new way to make an old model substantially more cost-effective. Applications may be considered for ongoing efforts provided they introduce a major new or innovative approach, dynamic, or element. Applications on all development topics and sectors are welcome; examples of the types of innovations that USAID/DIV might support are provided below. Additional examples are provided in the DIV windows provided in Annex 3 of this APS. Please visit our website to review our current and past portfolio for additional examples of innovations that DIV supports at [www.usaid.gov/div](http://www.usaid.gov/div). Illustrative examples of innovative solutions that DIV may support include:

- New tools for more effective agriculture extension, and testing for the most effective way to reach scale;
- New approaches for sanitation demand creation and sanitation marketing;
- Behavior change approaches drawing on insights from psychology and behavioral economics;
- Solutions that advance equality between females and males, and empower women and girls to participate fully in and benefit from the development of their societies;
- New methods to reduce absenteeism among frontline health and education workers;
- Testing proof of concept for a solar lighting system distributed by local entrepreneurs at a price/service point that induces wide adoption;

- A rigorous evaluation for a larger scale innovative project that will itself be funded by other partners where the evaluation will demonstrate the magnitude of development outcomes and the cost-effectiveness of the project, and such evidence will help the project reach scale.

DIV is also interested in applications from partners who can scale already proven innovative interventions. Several illustrative examples of innovations are described below that have already been rigorously tested and found to have positive impact, but have not yet been brought to scale.

- Combining vaccination with nutritional projects: Vaccines are among the most cost-effective health strategies available yet there are areas with very low vaccination rates. An evaluation in India found that when a nutritional project provided one kilogram of lentils together with vaccination, full immunization rates rose from 5 to 35 percent. By encouraging more families to attend immunization clinics, these incentives can even reduce the per child cost of vaccinations.<sup>1</sup>
- Commitment savings accounts: Many of the poorest people have high return micro-investments available to them but are unable to invest due to lack of savings. Any cash they might have is easily diverted to more immediate needs. But helping them commit now to set aside money for the future can have huge effects on saving and investment, for very little cost. Innovative projects in the Philippines raised savings balances by 81 percent within a year.<sup>2</sup>
- Reducing ethnic and caste voting: In many parts of the world, many citizens vote for candidates from their ethnic groups, even when those candidates have corrupt or criminal backgrounds. To address this, an NGO in India held village meetings and puppet shows encouraging voters to “vote on issues; not on caste.” In those villages, more voters registered and voted than in control villages. Furthermore, these voters were less likely to vote for members of their caste and less likely to vote for candidates with criminal backgrounds.<sup>3</sup>
- Reducing corruption: Corruption in infrastructure is so widespread that many donors shy away from supporting infrastructure projects. However, audits can decrease the amount of money that is stolen during construction. An experiment in which the frequency of government audits increased from 4% of projects to 100% reduced missing expenditures by 8 percentage points in a road construction project in Indonesia.<sup>4</sup>
- Reducing drop-out by informing parents of the value of education: Providing parents with information about how much higher wages are for students who finish primary school increased attendance of enrolled children by 3.5 percentage points from a baseline of 85.6 percent in Madagascar, and reduced dropouts by 7% in the Dominican Republic.<sup>5</sup>

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<sup>1</sup> Banerjee, Abhijit, Esther Duflo, Rachel Glennerster, Dhruva Kothari. “Improving Immunization Rates through Regular Camps and Incentives in Udaipur.” [www.povertyactionlab.org](http://www.povertyactionlab.org)

<sup>2</sup> Ashraf, Nava, Dean Karlan, Wesley Yin. 2006. “Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines,” *Quarterly Journal of Economics*, May 2006, pp. 635–672.

<sup>3</sup> Banerjee, Abhijit, Donald Green, Jennifer Green, Rohini Pande. 2009. “Can Voters be Primed to Choose Better Legislators? Evidence from Two Field Experiments in Rural India.” Working Paper.

<sup>4</sup> Olken, Benjamin. 2007. “Monitoring Corruption: Evidence from a Field Experiment in Indonesia.” *The Journal of Political Economy*, 2007, vol. 115, no. 2.

<sup>5</sup> Jensen, R. 2007. “The Perceived Returns to Education and the Demand for Schooling.” In mimeo, Brown University. AND Nguyen, T. 2007. “Information, Role Models and Perceived Returns to Education: Experimental Evidence from Madagascar.” In mimeo, MIT.

- Support of microenterprise: A Project in Sri Lanka provided small grants, in the form of financial capital or critical equipment, to micro-entrepreneurs. These \$100 or \$200 grants generated returns on the order of 60% per year.<sup>6</sup>
- Iron and vitamin A supplements: The diets of many poor children leave them undernourished and anemic. These children become sick more easily, have higher morbidity rates, and may fall behind on cognitive development. Providing iron and vitamin A supplements through schools is cheap and effective.<sup>7</sup>
- After-school projects for basic skills: Even when children go to school, many end up learning virtually nothing. Schools do not always teach the right things and cannot accommodate the needs of children who fall behind. Concentrating on basic skills can prove remarkably effective. Children who attended a pilot version of the after-school “Read India” project for just three months jumped from simply recognizing letters to reading entire paragraphs on their own, at a cost of no more than \$2.25 per pupil, per year.<sup>8</sup>
- Civil society and health provision: A randomized field experiment on community-based monitoring of public primary health care providers in Uganda found treatment communities were more involved in monitoring the provider, and the health workers exerted higher effort to serve the community. There were also large increases in health care utilization and improved health outcomes, including reduced child mortality and increased child weight.<sup>9</sup>
- New techniques to change risky behavior: Providing information on the relative risk of HIV infection by partner’s age led to a 28 percent decrease in teen pregnancy, an objective proxy for the incidence of unprotected sex. Self-reported sexual behavior data suggests substitution away from older (riskier) partners and toward same-age partners. In contrast, the official abstinence-only HIV curriculum had no impact on teen pregnancy.<sup>10</sup>
- Publicizing findings of random audits of municipalities: In 2003, as part of an anticorruption project, Brazil’s federal government began to select municipalities at random to audit their expenditures of federally transferred funds. The findings of these audits were then made publicly available and disseminated to media sources. A rigorous impact evaluation showed that the release of the audit outcomes had a significant impact on incumbents’ electoral performance.<sup>11</sup>

DIV does not support activities that are considered “standard” development practice. For example, standard development practice would include new wells for villages, more books for some schools, or projects using development methodologies already demonstrated to be effective. Other examples of activities that do not align with DIV’s strategy include:

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<sup>6</sup> De Mel, Suresh, David McKenzie, Christopher Woodruff. 2008. “Returns to Capital in Microenterprises: Evidence from a Field Experiment.” *The Quarterly Journal of Economics*, Nov 2008.

<sup>7</sup> Bobonis, Gustavo, Edward Miguel, Charu Sharma. 2004. “Iron Deficiency Anemia and School Participation.” Poverty Action Lab Paper No. 7.

<sup>8</sup> Duflo, Esther, Rachel Glennerster. 2010. “Read India: Helping Primary School Students in India Acquire Basic Math and Reading Skills.” [www.povertyactionlab.org](http://www.povertyactionlab.org)

<sup>9</sup> Bjorkman, Martina, and Jacob Svensson. 2009. “Power to the People: Evidence from A Randomized Field Experiment on Community-Based Monitoring in Uganda.” *The Quarterly Journal of Economics*, May 2009, pp. 735 – 769.

<sup>10</sup> Dufas, Pascaline. 2011. “Do Teenagers Respond to HIV Risk Information? Evidence from a Field Experiment in Kenya.” *American Economic Journal: Applied Economics*, 3 (1), pp.1-36, January 2011.

<sup>11</sup> Ferraz, Claudio and Frederico Finan. 2008. “Exposing Corrupt Politicians: The Effects of Brazil’s Publicly Released Audits on Electoral Outcomes.” *The Quarterly Journal of Economics*, May 2008.



- Approaches that expect to achieve only incremental improvements as opposed to approaches expected to significantly increase development outcomes and/or reduce costs. For example, a minor modification to the practices of a health clinic, allowing the number of patients screened for HIV to increase from 25 to 28 per day.
- Approaches that are only applicable in a single country (unless the project is expected to scale to a very large proportion of the most populous countries in the world).
- Private sector applications to expand businesses in developing countries that are unlikely to lead to significant development impacts. For example, support for a car dealership in Indonesia that is likely to be profitable, but will not have large scale development impact on the lives of the poor in Indonesia.
- A planning tool, strategy document, or diagnostic that is unlikely to result in measurable development impacts.
- Projects whose only ‘innovation’ is to bundle a number of activities, where each of these activities are not innovative when standing alone, and little evidence is provided regarding the bundle’s cost-effectiveness. For example, an education project that combines developing curriculum, teacher training, parent training, textbooks, computer labs, etc. (Note that successful applications may be able to make a strong case for a cost-effective and innovative bundle of a limited number of activities).
- Approaches that reinforce harmful gender norms.
- Basic scientific or laboratory-intensive Research and Development (R&D). Basic research is defined as research directed towards fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. This research is better supported by other parts of the US Government, foundations, and other international entities.
- Approaches that attempt to examine many hypotheses, but that will not result in a tested innovation with a potential to scale. For example, an application that includes 10 potential types of new school curricula, and an evaluation to see which specific version works better than the others.
- Theoretical and/or descriptive socio-economic research that pushes the boundaries of academia without also being linked to an innovation that has the potential to achieve development outcomes at scale.

## Applying to DIV

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DIV recognizes that development breakthroughs can come from anywhere—a lab in a university, a local organization who has deep contextual knowledge, or a passionate entrepreneur. Under this APS, DIV seeks applicants with creative ideas that can lead to game-changing innovations in development. The DIV application process balances the needs of a rigorous yet efficient selection process while reducing the burden on the applicant.

## Eligible Applicants

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1. USAID/DIV welcomes applications from many types of organizations including:

- U.S. Non-Governmental Organizations (NGOs)
- Non-U.S. NGOs
- Faith-based organizations
- U.S. private businesses
- Non-U.S private businesses
- Business and trade associations
- International organizations<sup>12</sup>
- U.S. colleges and universities (public and private)
- Non-U.S. colleges and universities (public and private)
- Civic groups
- Regional organizations
- Foundations

All applicants must be legally recognized organizational entities under applicable law. Individuals and governments are not eligible to apply directly at this time. The participation of foreign government organizations under this APS is possible only through an approved subaward agreement with a prime recipient (as described in ADS 303.3.21).

2. Applicant's activities should take place in the countries for which USAID provides assistance. If the project covers other countries, the DIV grant can only be used for activities in USAID presence countries.
3. Applicant must not be an organization from, or with an operational focus in, a country that is ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or related appropriations acts.

In addition to these eligibility requirements, by the time of award applicants should be able to demonstrate that they are legally able to perform the proposed work in the country of implementation.

Moreover, applicable organizations must be registered with USAID's PVO registry at the time of application. USAID registers private voluntary organizations (PVOs), both U.S. based and non-U.S. based, that conduct, or intend to conduct program activities in one or more countries other than their country of origin and that are consistent with the general purposes of the Foreign Assistance Act and/or Public Law 480. For more information on the registration process and guidance to clarify if your organization needs to register, see: <http://idea.usaid.gov/ls/pvo>

In order to receive an award, the applicant must have a DUNS number and be registered in CCR. This is not required at the time of application, but must be established prior to award. For information about DUNS numbers see: <http://www.dnb.com>. For information about CCR see: <https://www.bpn.gov/ccr>.

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<sup>12</sup> PIOs which elect to compete in this process will be subject to the award requirements and provisions for PIOs set out in ADS 308 (<http://www.usaid.gov/policy/ads/300/308.pdf>).

## Application Process

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The DIV application process consists of two steps. Applicants must first submit a Letter of Interest (LOI). After a competitive review process described below, DIV will request that successful applicants submit a Full Application.

### 1. Letter of Interest

Interested applicants must first submit an LOI. **All LOI submissions must be submitted using the LOI form posted at [www.usaid.gov/div](http://www.usaid.gov/div).** As requested by the LOI, applicants should describe the purpose of the project, summarize the project's goals, and include financial information for the project among other criteria in the LOI. Attachments to the LOI will not be reviewed. If DIV finds the project proposed in the LOI to be responsive to the selection criteria, then the applicant will be invited to submit a Full Application. Please note that an invitation to submit a Full Application does not constitute intent to award. The LOI is provided in Annex 1 for informational purposes only.

**Deadlines for LOIs:**  
June 1, 2012  
September 1, 2012  
December 1, 2012  
March 1, 2013

### 2. Full Application

Only invited applicants will receive the Full Application form. The Full Application form will be provided to invited applicants with submission instructions attached. The Full Application form requests additional and more in-depth information than the LOI. The Full Application is provided in Annex 2 for informational purposes only.

All application materials must be in English and submitted electronically to the attention of the Agreement Specialist at [DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov). **Applications sent by any other means (including Grants.gov) will not be considered.**

All LOI submissions must be submitted using the LOI form posted at [www.usaid.gov/div](http://www.usaid.gov/div). Applications must be in MS Word or PDF. It is the applicant's responsibility to ensure that files are complete and transmitted by the deadline.

Not all applicants submitting an LOI will be invited to submit a Full Application. Applicants that are invited by DIV to submit a Full Application should use the Full Application form attached to the invitation sent via separate communication from DIV. Full Application submissions should be limited to one email containing all relevant documents; documents may be submitted as a .zip file.

[DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov) only accepts file sizes less than 15MB.

Page limits beyond the specified limits listed on the LOI and Full Application may not be considered. Citations should be provided whenever possible, and assumptions used to generate estimates should be clearly explained. USAID bears no responsibility for data errors or omissions. USAID may accept applications past the deadline due to transmission difficulties that are not the fault of, or within the

control of, the applicant with the approval of the USAID Agreement Officer. USAID is not responsible for any costs incurred in preparing the LOI or Full Application or otherwise participating in the DIV competition for funding.

## **Application Review**

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### **Three-Phase Application Review Process**

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DIV uses a three-phase competitive review process as described below. Applicants will be notified of their status as their application advances through these phases.

**Prescreen:** Applications are initially screened for compliance with general APS guidelines and eligibility criteria and are assigned a pass or fail rating. Applications receiving a failing grade for basic compliance will not move forward in the process. Prescreen takes roughly 10 working days.

**LOI Assessment:** If the applicant passes the Prescreen, the LOI is reviewed and higher scoring LOIs will be invited to submit a Full Application. Reviewers may include individuals with relevant expertise who are not employees of the Federal Government. All reviewers will be required to sign conflict of interest and non-disclosure forms. All LOIs will be independently reviewed and scored according to the evaluation factors described below. Lower scoring LOIs will not be requested to provide a Full Application, and they may receive written debriefings upon request. LOI Assessment takes roughly 40 working days.

**Full Application Assessment:** If an Applicant advances through the LOI Assessment they will be invited to submit a Full Application. The Full Application form including submission instructions and due date will be provided at that time. Applicants will be given six weeks to write and submit the Full Application. The applications will be reviewed by a panel, which may include members who are not employees of the Federal Government. All reviewers will be required to sign conflict of interest and non-disclosure forms. All applications will be independently reviewed and evaluated according to the evaluation factors described below. High scoring applications will be recommended for funding and will be notified of their application advancement. Lower scoring applications will be rejected and may receive debriefings upon request. Full Application Assessment takes roughly 40 working days.

Applicants that are not selected for funding may address deficiencies and resubmit an LOI in the next round. Addressing deficiencies and resubmitting does not guarantee an award.

### **Communication with USAID and Applicants**

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Applicants and those considering applying must send all questions and responses to questions from DIV to [DIV@usaid.gov](mailto:DIV@usaid.gov). At any stage in the application review process, DIV reserves the right to pose clarifying questions to and conduct discussions with some, all, or none of the applicants during the selection process as determined by the Agreement Officer. DIV may request applicants for larger awards conduct a teleconference, videoconference, or travel to USAID/Washington at their own expense to present their application. Applicants will be given advance notice of this request. Those

with pending applications who do not receive such an invitation should not contact USAID/DIV to attempt to schedule a presentation.

If an applicant has submitted a Full Application that was not selected for funding, USAID has the option to ask the applicant to submit a revised Full Application that addresses the deficiencies identified by the technical review. In these special instances, the applicant would not be required to submit another LOI, but would instead move directly to the Full Application Assessment phase of the next appropriate reviewing period. This scenario is reserved for special cases, and is only at the invitation of USAID. These applications will be reviewed in accordance with the evaluation criterion listed in the Evaluation Factors section.

If DIV identifies opportunities to strengthen or fund a Stage 2 or 3 finalist's application by connecting with existing USAID mechanisms and/or external partners, USAID/DIV may make that application available for appropriate consideration.

Note: Letters of support from USAID Missions or Bureaus are not requested; however, upon award, awardees may be expected to coordinate with USAID Missions and Bureaus as appropriate.

### Funding Decisions

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DIV seeks to select projects across a wide range of technical and regional areas across all three stages. DIV reserves the right to make selection decisions in order to balance its portfolio across sectors, countries, and organizations. The amount of DIV funding available for each round of competition will also be taken into consideration. DIV anticipates making up to approximately \$20M of awards under this APS.

Additional considerations that DIV will take in making funding decisions include:

- Merit of the proposed project against the technical evaluation factors as described below;
- Availability of funds; and,
- Relevance of the proposed project in relation to Agency and program priorities including geographic diversity and coverage of underserved areas.

USAID anticipates making awards under this APS in the form of grants including Fixed Obligation Grants and Cooperative Agreements.

Depending on the applications that are received and potentially selected, DIV may decide to be substantially involved in the implementation of the project, and therefore award a Cooperative Agreement. In other cases, DIV may decide that the accomplishment of the purpose of the project through defined milestones is preferred, and therefore award a Fixed Obligation Grant. For additional information regarding USAID's grant policies including Cooperative Agreements and Fixed Obligation Grants please see: <http://www.usaid.gov/policy/ads/300/303.pdf>.

## **Evaluation Factors**

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DIV will use the following evaluation factors when assessing requests for funding under this APS.

### **Letter of Interest Evaluation Factors**

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The degree to which the solution demonstrates:

- Possibility of significant development impact for millions of individuals within ten years;
- Feasibility to be more cost-effective than competing alternatives;
- Project team and partner organization(s) (if applicable) offer the opportunity to bring skills and expertise necessary;
- A credible evaluation plan that will generate the necessary evidence and lessons to lead to future scale up if proven successful.

### **Full Application Evaluation Factors**

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Full Application evaluation factors are listed below in descending order of importance:

**Potential Impact & Scale** – The degree to which the innovative solution demonstrates:

- Potential to contribute significantly to a development challenge;
- Feasibility to be more cost-effective than competing alternatives.

**Project Team** – The degree to which the composition of the project team demonstrates:

- Sufficient knowledge and experience in managing projects in complex settings (including in developing countries), deep understanding of the development challenge and proposed solution, evaluation skills, and ability to garner credibility with senior government, policy or private sector, and/or community leaders, as appropriate;
- Clarity of roles, responsibilities, and lines of authority.

**Measuring Success** – The degree to which the evaluation plans for innovative solution:

- Will generate implementation lessons to inform future scale up;
- Will generate data and evidence of sufficient rigor to demonstrate development impacts

**Implementation Approach** – The degree to which the implementation approach:

- Is appropriate in design and setting to generate the expected conclusions;
- Engages stakeholders as appropriate in the process;
- Include a Branding and Marking Plan that is appropriate to the proposed approach.

**Leveraging Resources** – The degree to which the project strategically utilizes:

- Cost share from applicant and project partners;
- Other opportunities to leverage programs or resources, such as host-country government programming or potential partnerships and collaborations.

**Past Performance** – The degree to which applicant’s past performance:

- Demonstrates the ability to successfully implement and execute the project as designed, which could include demonstrated past experience of managing projects of similar magnitude, complexity, objectives or in similar contexts.

## Letter of Interest and Full Application Scoring

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DIV will use the following scoring methodology to assess each LOI and Full Application on the evaluation factors provided above.

Rating	Description
Excellent	Response to the criteria exceeds the fullest expectation of the Government in that it is comprehensive, thorough and with exceptional merit. The response to the criteria convincingly demonstrates that the proposed project will result in outstanding, effective, efficient and economical performance in the delivery of high quality deliverables under the award. The response to the criteria has no deficiencies or significant weaknesses. If there are any weaknesses, they are few and minor, and when combined, pose no performance risk to the government.
Very Good	Response to the criteria demonstrates overall competence, meets all minimum requirements and exceeds requirements in some areas but not all. The response to the criteria demonstrates that the applicant can successfully complete all deliverables, and all work will be accomplishment in a timely, efficient, and economical manner. There are no deficiencies or significant weaknesses, but some weaknesses are identified. However, these are not expected to negatively affect the completion of deliverables. No overall performance risk exists to the government.
Good	Response to the criteria meets the requirements. While the applicant demonstrates an ability to complete the work in some areas, there are some deficiencies or significant weaknesses in the response to the criteria. However, these combined weaknesses still represent an overall low performance risk to the government.
Fair	Response to the criteria minimally meets basic requirements and it demonstrates a limited understanding of the requirements. Implementation of the proposed project would likely lead to unsatisfactory performance. The response to the criteria contains deficiencies and significant weaknesses as well as several weaknesses that will negatively affect performance and the quality of the deliverables. The response to the criteria or sub-criteria represents moderate performance risk to the government.
Poor	Response to the criteria has many deficiencies and/or gross omissions, including failure to address the elements of the criteria, failure to understand much of the work necessary to perform the required tasks; failure to provide a reasonable, logical approach to fulfilling the Government’s requirements; failure to meet many requirements of the solicitation. Significant performance risk to the government.
Nonresponsive	Response to the criteria fails to address all elements of the criteria and fails to understand the work necessary to perform the required tasks; fails to provide a reasonable, logical approach to fulfilling the Government’s requirements; fails to meet the requirements of the solicitation. Significant performance risk to the government.

## Award Administration

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An award shall be made only by the USAID Agreement Officer upon his/her signature to incur costs. He/she will only do so after making a positive responsibility determination that the applicant possesses, or has the ability to obtain, the necessary management competence in planning and carrying out assistance projects and that it will practice mutually agreed upon methods of accountability for funds and other assets provided by USAID.

For U.S. organizations, 22 CFR 226, OMB circulars, and the Standard Provisions apply. For non-U.S. non-governmental organizations, the Standard Provisions for Non-U.S. Non-Governmental Organizations apply.

- The Standard Provisions for U.S. organizations can be found at:  
<http://www.usaid.gov/policy/ads/300/303maa.pdf>
- The Standard Provisions for Non-U.S. Non-governmental Organizations can be found at:  
<http://www.usaid.gov/policy/ads/300/303mab.pdf>

Where applicable, applicants may be required to report on specific indicators according to USAID policy. Applicants will be notified of these requirements at the pre-award stage.

Applicants seeking information about project profit, project income, intellectual property or other issues regarding USAID's administration of grant awards should consult 22 CFR 226 for applicable regulations.

## Environmental Protection and Compliance

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Environmental sustainability is integral to USAID's overall goal. The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID's activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development projects. This mandate is codified 22 CFR 216 and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204 (<http://www.usaid.gov/policy/ads/200/204.pdf>) which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. In addition to complying with USAID environmental regulations and policy, the recipient must comply with host country environmental regulations. In case of conflict between host country and USAID regulations, the latter shall govern. No project funded by USAID will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that project.

The USAID/DIV Bureau Environmental Officer or any Mission Environmental Officer can be contacted for further information regarding USAID's environmental regulations and policies. For a listing of USAID Environmental Officers and background information on this requirement please refer to [www.usaid.gov/our\\_work/environment/compliance/index.html](http://www.usaid.gov/our_work/environment/compliance/index.html).



## Annex 1: Letter of Interest (LOI)

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Applicants should download and use the LOI form available at: [www.usaid.gov/div](http://www.usaid.gov/div). The following is provided for informational purposes only.

### Letter of Interest Form

Development Innovation Ventures (DIV) aims to find and support breakthrough solutions to the world's most important development challenges. DIV seeks applications that have ideas for addressing development challenges more effectively and more cheaply. If you have a great idea, please submit a Letter of Interest (LOI) to DIV using this form. **Citations should be provided whenever possible, and assumptions used to generate estimates should be clearly explained.** Please submit the final LOI to [DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov). Once you submit a LOI, it will undergo a competitive review and if successful, we will ask you to submit a full application.

For additional information about DIV, examples of great projects that we support, and our application process and timeline, please visit DIV's website at <http://www.usaid.gov/div/>. **Please carefully review our Annual Program Statement available on our website before submitting your LOI.**

#### I. Eligibility Checklist

DIV welcomes applications from many types of organizations including foundations, U.S. and non-U.S. non-governmental organizations (NGOs), faith-based organizations, U.S. and non-U.S. private businesses, business and trade associations, international organizations, U.S. and non-U.S. colleges and universities (public and private), civic groups, regional organizations, etc.

Applicants must meet the following minimum requirements (check all that apply):

- ☐ Applicant is a legally recognized organizational entity under applicable law.
- ☐ Applicant's activities take place in the countries for which USAID provides assistance. If the project covers other countries, the DIV grant can only be used for activities in USAID presence countries.
- ☐ Applicant is not an organization from a country that is ineligible for assistance under the Foreign Assistance Act, as amended or related appropriations acts.

#### II. Organization Information

A. Organization legal name:

B. Organization type (please select from dropdown menu): Select item  
If 'Other', please specify:

C. Organization address:

Street Address

City:

State/Region:

Zip/Postal Code:

Country:

D. Contact information:

Primary point of contact

Secondary point of contact

Name:

Name:

Title:

Title:

Telephone:

Telephone:

E-mail:

E-mail:

### III. Overview Information

A. Project title:

B. DIV stage (please select from dropdown menu): Select stage

C. Which of the following best describes the sector your innovation addresses? (please select from dropdown menu) Select Item

If 'Other', please specify:

D. Partner organizations:

E. Total funding requested (USD):

F. Proposed cost share (USD):

G. Country/countries where the project will take place:

H. Expected duration of project activities (months):

I. Has the applicant ever received USAID funding in the past? Select item

J. Has the applicant received USG funding for this or a similar project? Select item

#### IV. Project Information

##### A. Development Challenge and Your Solution

What development challenge are you addressing? What solution are you proposing? What is the magnitude of this challenge in the proposed country of implementation, as well as globally (include relevant statistics)? What about this particular solution gives it the potential to significantly impact the development challenge in a way that has not been feasible before? If applicable, describe previous experiences implementing or testing the solution and any evidence of successful development impact. Please provide relevant data and citations in support of your statements. (1/2 page limit)

##### B. Objectives and Anticipated Results

What are your objectives and the anticipated results for the proposed level of DIV funding support? How would DIV support help you meet your goals for the innovative solution? (1/2 page limit)

##### C. Potential Impact & Scale

What is the possible magnitude of impact your proposed solution could have on the stated development challenge, both in the country described above and globally (include relevant statistics)? Who and how many will the solution directly impact? Who and how many will the solution indirectly impact? Provide a definition of direct and indirect “beneficiary” as it relates to your project’s potential impact, and explain your methodology for calculating the anticipated number of beneficiaries. What is the maximum level of scale your innovation could reach in the long-term, both in the country described above and globally? What are possible avenues for scale up over the next 3 – 10 years? (1/2 page limit)

Provide the most appropriate estimate of who the solution will directly and indirectly affect.

	<u>Direct</u>	<u>Indirect</u>
Now?		
In 3 years?		
In 5 years?		
In 10 years?		

#### **D. Competitive Landscape**

What are existing common practices or competing solutions that seek to address the same development challenge as your innovative solution? What makes your solution more appealing to public and/or private sector stakeholders in comparison with these alternatives? Describe the cost-effectiveness of your innovation including the difference in estimated cost/per development outcome for your innovative solution and that of competing solutions or existing practices. If your solution is a completely new idea or does not have market competition, explain why you believe it is likely to generate or maintain interest from the public and/or private sector, including cost considerations. (1/2 page limit)

#### **E. Measuring Success**

Briefly, how do you propose to evaluate the development impact of your solutions and how will you generate relevant implementation lessons? Approaches to evaluation will vary by solution, but evaluation plans for both public and private sector solutions should include steps to measure the social impacts in some way and to evaluate the potential impact and scale and cost-effectiveness assumptions provided above. How is your evaluation structured to inform future scale up? (1/2 page limit)

#### **F. Project Team**

Describe the composition of the project team, including partner organizations (if any), that will be responsible for implementing the proposed project. Explain how the project team possesses the skills and experience necessary to achieve the proposed objectives. (1/2 page limit)

### **V. Submission**

Please email your completed LOI in MS Word or compatible format to [DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov). Please do not send any additional attachments or information. Once you've submitted your LOI, you will receive a confirmation that we have received it. Your LOI will undergo a competitive review and if successful, we will ask you to submit a full application. Please carefully review our Annual Program Statement available at <http://www.usaid.gov/div/> before submitting your LOI.

**By submitting this LOI, your organization is certifying that the answers to the questions are accurate to the full extent of your organization's knowledge.**

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Name of authorized representative

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Date

## **Annex 2: Full Application**

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**Only invited applicants should submit the Full Application form. The Full Application form will be provided to invited applicants. The following is provided for informational purposes only.**

### **Full Application Form**

Development Innovation Ventures (DIV) aims to find and support breakthrough solutions to the world's most important development challenges. DIV seeks applications that have ideas for addressing development challenges more effectively and more cheaply.

For additional information about DIV, examples of great development ideas that we support, and our application process and timeline, please visit DIV's website at [www.usaid.gov/div](http://www.usaid.gov/div). Please carefully review our Annual Program Statement (APS) available on our website before completing your application.

### **Application Instructions**

Only applicants that previously submitted a Letter of Interest (LOI) and have been invited to submit a Full Application from DIV should complete this application. Please submit the final application form to [DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov).

Please complete all items below. Applicants must review the descriptions of each funding stage provided in the APS to ensure the application addresses the specific requirements of the stage adequately. **Citations should be provided whenever possible, and assumptions used to generate estimates should be clearly explained.** Additional responses may be necessary depending on which stage the applicant is applying to or whether the applicant plans to scale the innovation through the private or public sector. Specific requirements for a certain stage or for private or public sector innovations are identified in ***bold italics***.

#### **VI. Eligibility to Submit an Application**

Please enter the 5-digit tracking number that DIV provided in the request for full application email:

#### **VII. Organization Information**

E. Organization legal name:

F. Contact information:

Primary point of contact

Secondary point of contact

Name:

Name:

Title:

Title:

Telephone:

Telephone:

E-mail:

E-mail:

**VIII. Executive Summary (1 page maximum)**

What development challenge are you addressing? What solution are you proposing? How will this be an improvement over current development practice? Briefly explain your solution's cost effectiveness relative to alternatives as well as your plan to develop rigorous evidence, and also outline potential pathways to scale. Please provide the country or countries in which you will implement your project. Include an overview of the project timeline, the funding amount requested, and if applicable, any cost share commitments. Please provide relevant data and citations in support of your statements.

**IX. Project Description (20 page maximum)**

**A. Description of the Development Challenge and Your Solution**

What development challenge are you addressing? What solution are you proposing? What is the magnitude of this challenge in the proposed country of implementation, as well as globally (include relevant statistics)? What about this particular solution gives it the potential to significantly impact the development challenge in a way that has not been feasible before? If applicable, describe previous experiences implementing or testing the solution and any evidence of successful development impact. Please provide relevant data and citations in support of your statements.

***Stage 3 solutions:*** Provide a summary of evidence demonstrating development impact of the solution, including a summary of evaluation methodology(s) and findings.

**B. Potential Impact & Scale**

What is the possible magnitude of impact your proposed solution could have on the stated development challenge, both in the country described above and globally (include relevant statistics)? Who and how many will the solution directly impact? Who and how many will the solution indirectly impact? Provide a definition of direct and indirect "beneficiary" as it relates to your project's potential impact, and explain your methodology for calculating the anticipated number of beneficiaries. What is the maximum level of scale your innovation could reach in the long-term, both in the country described above and globally? What are possible avenues for scale up over the next 3 – 10 years? In the future, how can costs and responsibilities be shared

among the private sector, public sector, beneficiaries, or other partners? Please provide relevant data and citations in support of your statements.

**Stage 2 & 3 private sector solutions:** Please outline a business plan for scaling the solution that includes potential investors or internal revenue that would be available to sustain the solution going forward.

Provide the most appropriate estimate of who the solution will directly and indirectly affect.

	<u>Direct</u>	<u>Indirect</u>
Now?		
In 3 years?		
In 5 years?		
In 10 years?		

#### C. **Competitive Landscape**

What are existing common practices or competing solutions that seek to address the same development challenge as your innovative solution? What makes your innovative solution more appealing to public and/or private sector stakeholders in comparison with these alternatives? What is the difference in estimated cost/per development outcome for your innovative solution and that of competing solutions or existing practices? If your solution is a completely new idea or does not have market competition, explain why you believe it is likely to generate or maintain interest from the public and/or private sector investors, including cost considerations. The strongest applications will include any relevant data with source citations.

**Stage 2 & 3 public sector solutions:** Some type of cost analysis must be conducted in all projects; the specific approach (cost-effectiveness, cost benefit, or other) can be determined based on the most appropriate approach to compare the solution with other approaches.

**Stage 2 & 3 private sector solutions:** Provide the following metrics: cost of goods sold (including whether these include distribution, maintenance and/or replacement costs), sales estimates, gross margins, net margins and the product or service pricing. Please submit past year (up to three) income statements along with five year pro formas. Please describe the major assumptions that go into the income statements and any evidence to support the validity of these assumptions.

#### D. **Implementation Plans**

How do you plan to implement the solution? What are your goals for the grant period? Provide a rationale that implementation will occur at an appropriate scale and in a relevant context to achieve these stated goals. Identify how previous implementation experiences have informed the proposed approach. Outline a plan for continuously evaluating implementation success and

taking corrective actions, and how potential operational challenges (e.g., policy requirements or legal regulations) will be addressed. Include an implementation plan as an Attachment.

**Stage 2 & 3 solutions:** Outline how smaller scale experiences demonstrate the feasibility for larger scale implementation. In the case of **private sector solutions**, this should include a summary of uptake and/or demand for the innovative solution, willingness to pay, or other relevant trends from previous experiences.

#### **E. Stakeholder Engagement**

Who is critical to the success of the solution and its scale up? How will they be involved in the project? Discuss their level of support for the proposed solution. If available, provide a letter or memorandum of understanding (including any cost share or leverage commitments) indicating the anticipated role and responsibilities of the relevant partners such as the host country ministry, local government, private sector partners, evaluators, NGOs, etc. as an attachment. This is particularly important for **Stage 2 & 3 proposals**.

Note: Letters of support from USAID Missions or Bureaus are not requested; however, upon award, awardees may be expected to coordinate with USAID Missions and Bureaus as appropriate.

#### **F. Measuring Success**

Discuss how the innovative solution will be evaluated for impact on development outcomes and feasibility, as relevant to the requirements of the funding stage. Provide objectives of the evaluation, measures that will be assessed, and a rationale for the proposed evaluation design. If applicable, include the confidence level, confidence interval, and power of the rigorous design. If the intervention has a widely recognized impact the evaluation should focus on validation of the uptake and use in the target population. Describe how performance monitoring will be included as part of the evaluation process (including monitoring of the overall program if the innovation is nested within or supported by a broader program or other interventions). Describe how lessons will be collected to inform future implementation.

**All private sector solutions:** In addition to assessing the economic effects, evaluation plans must also include methods and measures to demonstrate a social impact.

**Stage 2 & 3 private sector solutions:** DIV recognizes that an impact evaluation may not be possible; however, the evaluation plan must demonstrate a way to assess the demand for the innovation from potential customers in developing countries.

#### **X. Project Team (1 page maximum)**

- A.** What key staff is the applicant proposing to support the proposed project objectives? Are there project partners that are also providing staff to support the project objectives? If so, what are their expected roles and responsibilities? Provide a staffing matrix that lists all positions that



will be essential to the success of the project. Describe roles, responsibilities, required Level of Effort, and organizational affiliation. Demonstrate that the overall project team includes management experience in complex settings (including developing countries), a deep understanding of the development challenge and proposed solution, evaluation skills, and ability to garner credibility with senior government, policy or private sector, and/or community leaders, as appropriate.

- B.** For those positions where a key staff person has been identified, please provide a Curriculum Vitae (CV) as an attachment. For all positions, please provide a job description that includes a set of qualifications as an attachment. Include a high level organization chart as an attachment that outlines how any US-based staff will interact with staff based in other countries.

**XI. Leverage** (1 page maximum)

Leverage represents all of the non-USAID resources that are expected to be applied to a program. It may include cost sharing, but may also include resources that third parties bring to the program without necessarily providing them to the recipient. These parties may include the host government, private foundations, businesses, or individuals. Cost share (including in-kind contributions) refers to the resources a recipient contributes to the total cost of an agreement. Cost sharing becomes a condition of an award when it is proposed and is part of the approved award budget. Cost sharing must be verifiable from the recipient's records, is subject to the requirements of 22 CFR 226.23, and can be audited. Using these definitions, please outline what leverage and cost share will realistically contribute to the project objectives.

***Stage 3 private sector solutions:*** The most competitive applications will demonstrate commitment from outside investors and/or demonstrate increasing internal revenues.

**XII. Past Performance**

Please provide up to three past performance references\* that can speak to the ability of the applicant to work effectively as part of a team, achieve results, or successfully implement projects similar in magnitude, complexity, objectives and contexts within the past three years. When past performance information is present, applicants shall furnish award numbers and other details with contact information for two or three similar projects funded over the past three years by USAID, or any other government entity or third party source.

Name of the organization which funded the project(s)	Award number	Point of contact name	Mailing address	Email address and phone number	Overall dollar value of the project


\*Despite the presence of this evaluation criterion, newer organizations and applicants with little or no prior related grant awards are highly encouraged to apply for USAID/DIV awards and are eligible for consideration, notwithstanding a lack of past performance references. USAID reserves the right to obtain past performance information from all relevant sources, including those not named in the applicant's application.

### **XIII. Cost Application**

**A.** Please provide a Budget and Budget Narrative which must include the following: (5 pages maximum)

1. The project Budget shall clearly show how funds will be used to support the activities proposed in the application's Technical Narrative. The Budget shall display unit costs (if applicable) and costs by year and shall include sub-cost applications for each component. Suggested line items include, but are not limited to, the following: personnel, fringe benefits, office rent, utilities, equipment, communications, local travel, sub-grants, in-direct or administrative costs.
2. If indirect cost rates are proposed, the applicant should provide a copy of its most recent negotiated indirect cost rate agreement (NICRA) or other documentation from its cognizant Government Audit Agency, if any, stating the most recent agreed upon indirect cost rates. If the applicant does not have an approved NICRA, a summary of how in-direct costs are calculated must be provided or all cost should be allocated as direct costs.
3. The Budget should also include all financial and in-kind cost-share, if any, of all organizations involved in implementing the proposed activities. The Budget should include a breakdown of all costs to each partner organization involved in the project, including sub-grants to be financed with the requested funding. DIV encourages applicants to focus resources in project implementation, rather than salaries, benefits, etc.
4. The Budget Narrative must explain all costs – and the basis of those costs – contained in the Budget.

**B.** Each applicant must submit a SF 424, 424A, and 424B that is signed by the applicant:

- [SF-424](#), Application for Federal Assistance
- [SF-424A](#), Cost application Information – Non-Construction Programs
- [SF-424B](#), Assurances – Non-Construction Programs

A link to these forms can also be found at <http://idea.usaid.gov/div/how-apply>

#### **XIV. Attachments**

The following materials are requested as attachments that supplement the information put forward in the application narrative. They do not count against the page limit requirement but will be used to determine eligibility or to score against relevant evaluation criteria.

1. Documentation to demonstrate the organization's ability to legally perform the proposed work in the country/region of operation
2. Curriculum vitae and/or position descriptions for all key staff
3. Work plan in Gantt chart format
4. Staffing matrix and high level organization chart
5. Letters of support or memoranda of understanding from project partners
6. A statement describing potential gender implications/considerations including potential indicators  
([http://www.usaid.gov/our\\_work/policy\\_planning\\_and\\_learning/documents/GenderEqualityPolicy.pdf](http://www.usaid.gov/our_work/policy_planning_and_learning/documents/GenderEqualityPolicy.pdf))
7. Branding and Marking Plan  
([http://www.usaid.gov/business/business\\_opportunities/cib/pdf/aapd05\\_11.pdf](http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd05_11.pdf))
8. A statement describing any risks to project success and plans to mitigate them
9. Environmental compliance checklist
10. Proposed Milestone Chart

#### **XV. Submission**

Please email your completed Application and Attachments in MS Word or compatible format or PDF to [DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov). Please limit submissions to one email containing all relevant documents; documents may be submitted as a .zip file. [DIVApplications@usaid.gov](mailto:DIVApplications@usaid.gov) only accepts file sizes less than 15MB.

Once you have submitted your application, you will receive a confirmation that we have received it. Please carefully review our Annual Program Statement, which includes our review process and timelines, available at <http://www.usaid.gov/div/> before submitting your Application.

**By submitting this Application, your organization is certifying that the answers to the questions are accurate to the full extent of your organization's knowledge.**

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Name of authorized representative

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Date

### Annex 3: Special Windows

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As part of this APS, DIV has additional special focus areas, or APS “windows.” These may relate to USAID initiative areas, specific countries or specific topics and sectors. All application forms and rules are unchanged but substantial additional resources will be available for applications targeting these windows. USAID/DIV retains the right to evaluate any applicant under a special window or under the “core” APS.

Unless otherwise specifically stated herein, all terms and conditions of this DIV APS apply. In addition to the windows described below, DIV may open additional windows by way of an amendment to this APS. DIV is accepting applications for the following windows as described in the proceeding pages.

<i>Haiti Window</i> .....	<i>Annex 3A</i>
<i>WASH Window</i> .....	<i>Annex 3B</i>
<i>IFA Window</i> .....	<i>Annex 3C</i>

## Annex 3A: Haiti Window

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As part of the “USG Haiti Strategy”, USAID/DIV makes this special call for the submission of DIV proposals related to the Post-Earthquake United States Government’s Haiti Strategy (USG Haiti Strategy). This program is authorized in accordance with Part 1 of the Foreign Assistance act of 1961, as amended.

USAID’s Development Innovation Ventures (USAID/DIV), as part of its collaboration with USAID/Haiti, is making a special call for the submission of DIV proposals related to the Post-Earthquake United States Government’s Haiti Strategy (USG Haiti Strategy), hereinafter to be referenced as the “Haiti Window.” The specific objective of this Haiti Window is to identify, rigorously test, and scale cost-effective solutions to the development challenges represented by the four pillars of the USG Haiti Strategy.

### Background

The United States Government has identified four focus areas, or “pillars,” of investment critical to achieving economic growth and stability in Haiti. These are outlined in the 5-year USG Strategy for Haiti.

- Pillar A: Infrastructure and Energy
  - Housing
  - Ports and Economic Growth Poles
  - Energy
- Pillar B: Food and Economic Security
  - Agriculture and Nutrition
  - Economic security – Support to Micro, Small, and Medium-Sized Enterprises
- Pillar C: Health and Other Basic Services
  - Health
  - Education and Youth-Focused Services
- Pillar D: Governance and Rule of Law
  - Governance
  - Rule of Law

Applicants are requested to specify the pillar(s) and priority area(s) to which their project contributes within the Technical Narrative of the application. Applicants are strongly encouraged to refer to the USG Haiti Strategy document, which can be found at [www.state.gov/documents/organization/156448.pdf](http://www.state.gov/documents/organization/156448.pdf). This document provides detailed descriptions of the priority areas and specifies assistance objectives within each.

Proposals suitable for USAID funding under this window will clearly fit within the geographic and technical scope of the USG Haiti Strategy; identify the specific development challenge being addressed; provide a technical proposal that convincingly demonstrates the project’s innovativeness; and provide a clear plan for rigorously measuring impact and cost-effectiveness. Applications addressing any elements of the USG Haiti Strategy are welcome. Examples of the types of challenges for which innovative, cost-effective solutions are sought include but are not limited to:

- **Increasing job skills and earnings of out-of-school youth.** The median age of the Haitian population is 21, and over 50% have not completed primary school. Unemployment is over 40%, and

underemployment is widespread. Providing up-to-date, applicable job skills that increase young people's earnings at low cost is therefore a pressing challenge.

- **Placing job seekers in firms.** Information often does not effectively flow between job seekers and firms, resulting in very inefficient job markets.
- **Creating accountability for operations and outcomes in non-public schools.** Over 90% of Haiti's schools are not public, and are run by churches, NGOs, for-profit entities, and others. The government's efforts to license and regulate have been ineffective, resulting in highly variable and on average poor educational quality and outcomes.
- **Providing potable water in a sustainable, cost-effective, environmentally responsible manner for a drought-prone location.** In activities unrelated to this APS, USAID is considering multiple large permanent housing settlements for low income residents in the northern part of Haiti. Test results for water samples from within 5 miles of the settlements indicate that both ground and surface water are limited and contain arsenic, barium, and E. coli.
- **Providing sanitation in a sustainable, cost-effective, environmentally responsible manner where no sanitation services currently exist.** At the sites noted in the prior bullet, water is limited, sewage treatment facilities are non-existent, and land is limited. Additional challenges include the presence of cholera and a high water table.
- **Increasing development impact of remittances.** Remittances equal nearly 20% of Haiti's annual GDP, but many barriers may limit their development impact.
- **Achieving high rates of farmer utilization of agricultural information to increase productivity.** About 60% of Haitians are employed in agriculture, and productivity has been stagnant or declining for several decades. Efforts to increase productivity require effective methods to achieve high rates of information dissemination and adaptation among farmers.
- **Providing cost-effective and sustainable energy to rural populations.** About 50% of the Haitian population lives in rural areas, where expansion of the electricity grid is likely to be prohibitively costly. Providing low-cost, reliable, and environmentally sustainable power to this population is a significant challenge.

Refer to the USG Haiti strategy for more discussion of the development challenges for which USAID/Haiti is seeking solutions.

## Annex 3B: WASH Window

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USAID's Development Innovation Ventures, as part of its "WASH for Life (Water, Sanitation & Hygiene for Life)" collaboration with the Bill and Melinda Gates Foundation, makes this special call for the submission of DIV proposals related to water, sanitation, and hygiene, hereinafter to be referenced as "WASH for Life."

The specific objective of WASH for Life is: to identify, test, and transition to scale promising approaches to achieving cost-effective, sustained, scalable outcomes in the water, sanitation and hygiene sectors to significantly improve the lives of the impoverished around the world.

All application forms and rules are unchanged from the DIV APS but substantial additional resources will be available for proposals targeting this window. Unless otherwise specifically stated herein, all terms and conditions of the DIV APS apply.

### **Background**

Water, sanitation, and hygiene are all critical to reducing the burden of water-borne diseases. One Millennium Development Goal (MDG) aims to cut in half the number of people without sustainable access to basic sanitation by 2015. But efforts are off track by up to 700 million people. 1.2 billion people practice open defecation, meaning they have no sanitation facilities at all, and 1.3 billion people use unsafe latrines. Even though researchers estimate that effective sanitation services alone can reduce diarrheal disease by up to 45 percent, 1.6 million children still die each year from diarrheal disease. Diarrhea is the second leading cause of death among children under the age of five. Only roughly 10 percent of all government and donor funds dedicated to water, sanitation, and hygiene improvements are focused on sanitation. Where there are investments, they tend to be in large infrastructure projects that serve non-impoveryshed areas and often infrastructure is not well maintained.

The government and markets have failed to date in reaching the economically disadvantaged in a sustainable, at scale and effective manner but these failures can be overcome by competing innovative and cost-effective approaches from diverse partners, testing projects rigorously, and scaling and replicating those that are proven successful. Through WASH for Life, USAID/DIV explicitly seeks to support new, promising approaches with the aim to help produce health outcomes more effectively and more cost-efficiently for people in developing countries. WASH for Life will focus not on basic research for new technologies, but rather on ways to increase sustained uptake of behaviors for which there is demonstrated evidence of impacts. It is expected that these promising approaches will be innovative, in that they will often involve new applications of technologies, new business practices, new ways to deliver services, behavior change messaging, and financial and institutional arrangements and processes, with the potential to deliver significant, rather than incremental, improvements in producing cost-effective development outcomes at scale.

Projects suitable for USAID/DIV funding under WASH for Life will demonstrate:

**Problem identification - correcting market and government failures.** Ineffective service delivery through both markets and governments can lead to poor outcomes for marginal groups, wastage, and unintended consequences. Proposals must address the potential for addressing these sorts of failures and how the proposed approach creates incentives for these failures to be avoided and/or easily detected.

**Cost-effectiveness.** Projects should demonstrate cost-effectiveness in a rigorous and measurable way. Projects must achieve more development outcomes per dollar spent than the standard project targeting those development outcomes, or the same development outcomes as an alternative project, but at a smaller cost.

**Sustainability and Scale.** This call is open to a variety of approaches to sustainability, including both public and private sector finance, but USAID/DIV will support approaches especially if there is reason to believe proposed adopters will pay and that services will reach people who need it. New approaches should be scalable and replicable, with the potential to reach millions of people in 10 years as they are adopted to scale across multiple countries, ideally across multiple WASH sectors, or in developing country health more broadly.

Although applications addressing all WASH areas are welcome; examples, intended to be illustrative and not comprehensive, of the types of projects that could be funded in this call could include:

- Endowment funds for infrastructure maintenance;
- Trust funds that provide long run rewards and create incentives for high quality construction;
- New approaches to WASH finance such as output-based funding and cash on delivery for key WASH outcomes;
- New approaches for sanitation demand creation and sanitation marketing;
- District-level contracting for operations and maintenance, with a potential focus on schools as a focal point for service delivery;
- Point-of-collection water treatment;
- Behavior change approaches drawing on insights from psychology and behavioral economics; and
- New approaches to influence social norm setting around WASH.

### **Solicitation**

Under this Special Window, USAID/DIV seeks out proposals that test and transition to scale approaches to achieving cost-effective, sustained, scalable changes to significantly improve the lives of the impoverished. Although projects addressing problems in any WASH area or any country may apply, USAID/DIV will also have additional resources available for interventions that:

- Operate in the following priority countries: Bangladesh, Ethiopia, Ghana, Haiti, India, Kenya and/or Nigeria;
- Address issues in the sanitation and hygiene sectors in particular; and,
- Target beneficiaries earning under \$2 a day (PPP adjusted).



## Annex 3C: IFA Window

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USAID's Development Innovation Ventures (USAID/DIV), as part of its collaboration with USAID/LAC, is making a special call for the submission of DIV proposals that address challenges in the countries of Latin America and the Caribbean, hereinafter to be referenced as the "Innovation Fund for the Americas" or "IFA".

Building on the [DIV Haiti Initiative](#), the specific objective of the Innovation Fund for the Americas is to identify, rigorously test, and scale more effective and lower cost solutions to some of the Latin America and the Caribbean (LAC) region's toughest development challenges.

All application forms and rules are unchanged from the DIV APS, but additional resources will be available for proposals targeting this window. Unless otherwise specifically stated herein, all terms and conditions of the DIV APS apply.

### Background

After more than a decade of strong economic growth, dramatic declines in poverty, and deepening democracy in Latin America and the Caribbean, the United States is shifting its development approach in the region to focus on those challenges that threaten recent gains, including the themes debated at the VIth Summit of the Americas: deteriorating citizen security, vulnerability to natural disasters and persistent poverty and inequality. In addition to a more focused approach, the Obama Administration is seeking to deliver more global development for less by prioritizing investments in innovation. IFA, announced by President Obama at the Summit, will tap into and support the best new development ideas coming out of the private sector, academia and the NGO community around the world to tackle the very development challenges that United States and the region are grappling with.

Although projects addressing problems in any sector or operating in any country in the LAC region are eligible, IFA is especially interested in proposals that:

- Address energy, climate change and environment, citizen safety, at-risk youth, education and democracy challenges; and
- Address challenges within the four pillars of the U.S. Haiti strategy (infrastructure and energy, food and economic security, health and other basic services, and governance and rule of law). For more information, see the DIV Haiti Initiative [<http://idea.usaid.gov/div/div-haiti-initiative>].

Proposals suitable for USAID funding under this window will identify the specific development challenge being addressed; provide a technical proposal that convincingly demonstrates the project's innovativeness and potential to scale in the LAC region and beyond (although proposals that will reach scale only within LAC are also permissible); and provide a clear plan for rigorously measuring impact and cost-effectiveness. Where applicable, applicants may be required to report on specific indicators according to USAID policy. For example, proposals addressing challenges in the USG REDD+ strategy must meet thematic and indicator requirements (for more information visit: [http://www.usaid.gov/our\\_work/environment/climate/policies\\_prog/redd.html](http://www.usaid.gov/our_work/environment/climate/policies_prog/redd.html)).

Examples of the types of challenges for which innovative, cost-effective solutions are sought include but are not limited to:

- Reducing emissions from deforestation and degradation (REDD). New ways to bridge the divide between private companies and indigenous communities – who are often the owners or managers of the most suitable lands – through new technology, new project management approaches or other cutting edge innovations to reduce emissions and biodiversity loss from forests. Low cost ways to link land surveys, carbon monitoring and reporting for national REDD project registries – similar to Brazil’s Amazon-wide system for tracking deforestation -- would offer the opportunity to advance USG REDD goals.
- Tracking Farm-Based Emissions. Mobilizing social networks, mobile phones and satellite networks to work with local communities, NGOs, the private sector and/or governments to track emissions from agriculture from key farming sectors in the LAC region without further driving forest clearing and emissions.
- Reducing the escalating violence and crime in Mexico, Central America and the Caribbean.
- Addressing the increasing numbers of disconnected, marginalized at-risk youth (especially in Central America and the Caribbean).
- Tackling the poor institutionalization of criminal justice sector reform and the protecting human rights.
- Narrowing of political space for civil society organizations.
- Improving low early grade literacy.
- Matching job training to the needs of employers.
- Preparing for and dealing with natural disasters and extreme weather linked to climate change.

Refer to the USAID/LAC website ([http://www.usaid.gov/locations/latin\\_america\\_caribbean/](http://www.usaid.gov/locations/latin_america_caribbean/)) and USG Climate Change REDD+ strategy ([http://www.usaid.gov/our\\_work/environment/climate/policies\\_prog/redd.html](http://www.usaid.gov/our_work/environment/climate/policies_prog/redd.html)) for more discussion of the development challenges for which IFA is seeking solutions.